

Congress gives the Pentagon \$2 billion to build with

With the 1971 fiscal year nearly half over, Congress finally decided how much to appropriate for military construction for the period ending next June 30. The figure: \$2 billion.

That total represents a \$97-million cut from the amount requested by the Defense Department. It will provide about \$500 million above 1969's appropriation.

A Senate-House conference committee that worked out the final bill used its report to chide the Army for habitual overruns on construction projects at the West Point Military Academy. The conference committee authorized the Army to use nearly \$11 million of its available funds to pay for higher than anticipated costs for a new cadet activities center at the academy.

But it told the Army not to take the money from military family housing funds. It also instructed the Army to review the West Point expansion program and to stretch out completion of less essential items.

The Air Force wants safer nests for its Minuteman missiles

The Air Force is seeking—and probably will get—Defense Department approval for a program to increase the survivability of its Minuteman intercontinental missile force. The cost could go as high as \$1 billion.

Though secrecy surrounds much of the proposal, the Air Force wants to increase the “ballast hardness” of the 1,000 missiles. This would entail improved shock-proofing for the suspension system that holds the missile and for the underground silo's electronic systems.

The Pentagon is becoming concerned about the vulnerability of the silos housing the Minuteman force. Russia is making impressive strides in improving the accuracy of its missiles and in equipping them with multiple warheads.

The Air Force at first explored moving the missiles into silos drilled into mountain rock. But that would be too costly, and unexpected rock fractures also presented problems. The Air Force also considered making the missile mobile, but that too would be overly expensive and would decrease accuracy.

The ballast hardening concept represents a less-ambitious program that would complement, but not substitute for, the protection afforded by the Safeguard antiballistic missile system.

Washington enlarges its role as a buyer of conventional mortgages

The Federal National Mortgage Association (Fannie Mae) last week gave details of plans to purchase up to \$500 million in conventional mortgages. With that disclosure, Fannie Mae and the Federal Home Loan Mortgage Corp. (FHLMC) may buy up to \$7 billion in conventional and government-backed home mortgages next year.

Officials worry, though, that aggressive mortgage buying from the government could drive down mortgage rates to the point where private “secondary market” purchasers wouldn't feel inclined to buy. These would include insurance companies, mutual savings banks and savings and loan institutions.

The problem will come up only if interest rates continue their downward trend during 1971. If they don't and money again starts to tighten up, the buying